

## Message Text

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64

ORIGIN EB-07

INFO OCT-01 EUR-12 EA-09 IO-13 ISO-00 TRSE-00 STR-04 AF-08

ARA-10 NEA-10 SSO-00 NSCE-00 USIE-00 INRE-00 FEA-01

AGR-10 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 ITC-01 PRS-01 SP-02 OMB-01 /142 R

DRAFTED BY EB/OT/STA:MCJONES:JH

APPROVED BY EB/OT/STA:JSSPIRO

TREAS:HSHELLEY

EUR/RPE:RBRESLER

EA/J:SECTON

EUR/CAN:DBLAKEMORE

EUR/NE:NACHILLES

EUR/WE:DMCKINLEY

STR:HLAWRENCE (INFO)

----- 121733

O P 132202Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY TOKYO PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY BONN PRIORITY

USMISSION EC BRUSSELS PRIORITY

INFO USMISSION GENEVA PRIORITY

USDEL MTN GENEVA PRIORITY

USMISSION OECD PARIS PRIORITY

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E.O. 11652: N/A

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TAGS: ETRD, JA, SW, EC, BE, FR, IT, UK, GW, CA

SUBJECT: ANTIDUMPING PROCEEDINGS -- ANNOUNCEMENT OF FINAL  
TERMINATIONS AND DISCONTINUANCES IN AUTOMOBILE CASES

REF: STATE 109503, STATE 109954, STATE 119310, STATE ;:-2;69

1. FINAL DISCONTINUANCES OR TERMINATIONS IN THE AUTOMOBILE  
ANTIDUMPING INVESTIGATIONS WERE ANNOUNCED BY TREASURY  
ASSISTANT SECRETARY DAVID R. MACDONALD ON AUGUST 13. FINAL  
TERMINATIONS WILL BE ISSUED FOR HONDA, NISSAN, TOYOTA,  
PORSCH AND ROLLS ROYCE, WHICH WERE NOT FOUND TO BE SELLING  
AT LESS THAN FAIR VALUE. FINAL DISCONTINUANCES WILL BE  
ISSUED FOR ALL OTHER COMPANIES. NOTICES WILL BE PUBLISHED  
IN THE FEDERAL REGISTER SHORTLY.

2. FOLLOWING IS THE TEXT OF THE TREASURY DEPARTMENT PRESS  
RELEASE. BEGIN TEXT.

ASSISTANT SECRETARY OF THE TREASURY DAVID R. MACDONALD  
ANNOUNCED TODAY THAT FINAL DETERMINATIONS HAD BEEN MADE  
IN THE TREASURY DEPARTMENT'S ANTIDUMPING INVESTIGATION OF  
AUTOMOBILE IMPORTS. THE ACTIONS ANNOUNCED TODAY DIS-  
CONTINUE THE INVESTIGATIONS AS TO 23 FIRMS AND TERMINATE

THE INVESTIGATIONS AS TO 5 FIRMS. IN THOSE INSTANCES  
WHERE AN INVESTIGATION HAS BEEN DISCONTINUED THE MANU-  
FACTURERS' PRICES WILL BE MONITORED BY THE TREASURY  
DEPARTMENT FOR THE NEXT TWO YEARS.

THE INVESTIGATIONS INVOLVING AUTOMOBILES MANUFACTURED IN  
8 FOREIGN COUNTRIES (WEST GERMANY, THE UNITED KINGDOM,  
FRANCE, BELGIUM, ITALY, SWEDEN, JAPAN AND CANADA) WERE  
INITIATED ON AUGUST 11, 1975 AFTER THE TREASURY DEPART-  
MENT HAD RECEIVED PETITIONS FROM THE UNITED AUTO  
WORKERS AND CONGRESSMAN JOHN DENT OF PENNSYLVANIA,  
ALLEGING THAT FOREIGN AUTOMOBILES WERE BEING "DUMPED"  
ON THE U.S. MARKET AND WERE INJURING THE DOMESTIC  
AUTOMOBILE INDUSTRY. ON MAY 4, 1976, SECRETARY OF THE  
TREASURY WILLIAM SIMON ANNOUNCED THAT HE WAS TENTATIVELY  
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DISCONTINUING THESE INVESTIGATIONS ON CONDITION THAT  
CERTAIN COMMITMENTS REGARDING FUTURE PRICES WERE RECEIVED  
FROM THE MANUFACTURERS INVOLVED. THE ACTIONS ANNOUNCED  
TODAY ARE AS A RESULT OF THE RECEIPT BY THE TREASURY  
DEPARTMENT OF SUCH COMMITMENTS. SECRETARY SIMON  
INDICATED AT THE TIME OF HIS MAY 4 ANNOUNCEMENT THAT HE  
WAS TAKING THIS COURSE OF ACTION BECAUSE OF THE UNIQUE  
CIRCUMSTANCES WHICH EXISTED IN THE AUTOMOBILE INDUSTRY

DURING THE PERIOD OF THE INVESTIGATION (JANUARY 1 THROUGH AUGUST 31, 1975). THE DISCONTINUANCES WERE ISSUED UNDER A RARELY USED SECTION OF THE ANTIDUMPING REGULATIONS WHICH AUTHORIZES SUCH ACTION WHENEVER THE SECRETARY CONCLUDES THAT THERE ARE CIRCUMSTANCES ON THE BASIS OF WHICH IT MAY NO LONGER BE APPROPRIATE TO CONTINUE AN ANTIDUMPING INVESTIGATION. AN EXPLANATION OF THOSE CIRCUMSTANCES WAS INCLUDED IN THE SECRETARY'S PRESS RELEASE OF MAY 4 AND IN THE FEDERAL REGISTER NOTICES OF MAY 17, 1976, ANNOUNCING THE TENTATIVE DISCONTINUANCES.

THE 23 MANUFACTURERS WHO HAVE BEEN REQUIRED TO SUPPLY COMMITMENTS TO THE TREASURY DEPARTMENT HAD BEEN FOUND DURING THE PERIOD OF THE INVESTIGATION TO HAVE BEEN PRICING THEIR AUTOMOBILES IN THE U.S. MARKET BELOW THEIR HOME MARKET PRICES FOR COMPARABLE PRODUCTS. HOWEVER, IN THE CASES OF JAPANESE AND EUROPEAN MANUFACTURERS PRICE ADJUSTMENTS SINCE THE END OF THE INVESTIGATORY PERIOD ALONG WITH CHANGES IN THE RELATIVE VALUES OF CURRENCIES HAVE ELIMINATED THESE PRICE DIFFERENTIALS, AS CALCULATED UNDER THE SPECIAL CIRCUMSTANCES FOUND TO EXIST FOR THE PURPOSES OF THIS INVESTIGATION. IN THE CASE OF SEVERAL FIRMS, SPECIFIC ADDITIONAL PRICE ADJUSTMENTS WILL BE REQUIRED ON THEIR 1977 MODELS IN ORDER TO COMPLY WITH THESE COMMITMENTS. IN ALL CASES THESE FIRMS HAVE PLEDGED TO MAINTAIN THEIR RELATIVE PRICES IN SUCH A WAY AS TO

ASSURE THAT THESE PRICE DIFFERENTIALS DO NOT REAPPEAR. INsofar AS CANADIAN MANUFACTURERS ARE CONCERNED PLEDGES HAVE BEEN RECEIVED TO CONTINUE THE ELIMINATION OF PRICE DIFFERENTIALS WITHIN THE CONTEXT OF THE SPECIAL CIRCUMSTANCES CREATED BY THE INTEGRATION OF THE U.S. AND CANADIAN INDUSTRIES.

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FIVE OF THE MANUFACTURERS INVESTIGATED (HONDA, NISSAN, PORSCHE, ROLLS ROYCE AND TOYOTA) WERE FOUND NOT TO BE SELLING BELOW FAIR VALUE AND AS TO THOSE FIRMS THE INVESTIGATION HAS BEEN CONCLUDED AND NO FUTURE MONITORING OF PRICES WILL BE REQUIRED.

THESE CASES COLLECTIVELY REPRESENT THE MOST EXTENSIVE ANTIDUMPING INVESTIGATION EVER CONDUCTED BY THE U.S. TREASURY DEPARTMENT AND ENCOMPASSED TRADE AMOUNTING TO \$7.2 BILLION IN 1975.

END TEXT. ROBINSON

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ANTIDUMPING LAW (TRADE), PRESS RELEASES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 AUG 1976  
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**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Event:**  
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**Enclosure:** n/a  
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**Film Number:** D760312-0654  
**From:** STATE  
**Handling Restrictions:** n/a  
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**Review Event:**  
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**Review History:** RELEASED <20 AUG 2004 by SilvaL0>; APPROVED <06 DEC 2004 by CunninFX>  
**Review Markings:**

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EO Systematic Review  
04 MAY 2006

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**TAGS:** ETRD, JA, SW, EC, BE, FR, IT, UK, GE, CA  
**To:** OTTAWA  
TOKYO  
MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006